

Message Text

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PAGE 01 STATE 005387
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C O N F I D E N T I A L STATE 005387

EXDIS FOR CHARLES FRANK

FOL RPT BONN 00467 ACTION SECSTATE INFO ABU DHABI BRUSSELS
CANBERRA COPENHAGEN DUBLIN JIDDA KUWAIT LONDON LUXEMBOURG
OSLO OTTAWA ROME STOCKHOLM TEHRAN THE HAGUE TOKYO WELLINGTON
GENEVA 10 JAN QUOTE

C O N F I D E N T I A L BONN 00467

EXDIS

E.O. 11652: GDS

TAGS: EAID, GW, RH

SUBJECT: ZIMBABWE DEVELOPMENT FUND

REF: (1) BONN 268 (EXDIS); (B) BONN 317

1. ECONBXCOCML MIN DISCUSSED THE ZIMBABWE FUND
PROPOSAL WITH UNDER SECRETARY KOLLATZ, ECONCOOPMIN,
ON JANUARY 7.
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2. KOLLATZ WAS FULLY FAMILIAR WITH DETAILS OF THE
PROPOSAL AND EMPHASIZED THAT THE FUND POSED NO
FINANCIAL PROBLEMS AT ALL. HE SAW PROBLEMS WHICH
THE FRG HAS WITH THE PROPOSAL AS BY AND LARGE OF A
POLITICAL NATURE.

3. THE CREATION OF A NEW INSTITUTION WOULD BE IN CONFLICT WITH THE CHANCELLOR'S OBJECTION TO PROLIFERATION OF INTERNATIONAL BODIES. IN THAT CONNECTION KOLLATZ REMINDED US OF GERMAN OPPOSITION TO THE GISCARD AFRICAN FUND FOR THE SAME REASON. HE BELIEVED DONOR COUNTRIES COULD JUST AS EFFECTIVELY CHANNEL THEIR AID THROUGH WORLD BANK INSTITUTIONS. ECON/COMC'L MIN POINTED OUT THAT THE PROPOSAL EMPHASIZED THAT MULTILATERAL AGENCIES WOULD BE USED TO THE EXTENT POSSIBLE. HOWEVER, KOLLATZ RETURNED TO HIS THEME AND SUGGESTED THE ESTABLISHMENT OF A CONSORTIUM FOR ZIMBABWE UNDER THE AUSPICES OF THE WORLD BANK AS IS DONE FOR MANY OTHER DEVELOPING COUNTRIES. UNDER SUCH A SYSTEM ASSISTANCE WOULD CONTINUE TO BE BILATERAL AND NO NEW INSTITUTION WOULD BE REQUIRED.

4. ANOTHER GERMAN CONCERN, ACCORDING TO KOLLATZ, IS THAT, SINCE ZIMBABWE IS RELATIVELY RICH PER CAPITA COMPARED TO OTHER AFRICAN COUNTRIES, THE AID GIVEN TO ZIMBABWE WOULD BE EXCESSIVE COMPARED TO THE NEEDS OF NEIGHBORING AFRICAN COUNTRIES. KOLLATZ UNDERSTOOD THAT THIS IS NOT A PURELY DEVELOPMENTAL PROBLEM AND ADMITTED THAT, EVEN WITHOUT THE FUND, ZIMBABWE COULD EXPECT A MORE THAN PROPORTIONAL SHARE OF GERMAN AID. THE POLITICAL PROBLEM, HOWEVER, IS THE NECESSITY OF MODERATING POORER AFRICAN COUNTRY DEMANDS FOR INCREASED AID IN LIGHT OF ZIMBABWE PROGRAMS.

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5. KOLLATZ ATTACHED THE GREATEST WEIGHT, HOWEVER, TO THE PUBLIC OPINION PROBLEM IN THE FRG ITSELF. HE MAINTAINED THAT REFUGEES FROM EASTERN EUROPE, AND ELSEWHERE, WHO EVENTUALLY SETTLED IN WEST GERMANY RECEIVED NO SUCH COMPENSATION FOR LOST ASSETS. THEIR TRANSITION INTO A NEW LIFE WAS ASSISTED BY THE FRG GOVERNMENT BUT THEIR MATERIAL LOSS AS A RESULT OF THE MOVE WAS GREAT. GERMANS WOULD NOT UNDERSTAND FRG SUPPORT FOR THE COMPENSATION OF RHODESIAN WHITES FOR ASSETS LEFT BEHIND IN A NEW ZIMBABWE. WE POINTED OUT THE PROPOSAL WAS NOT DIRECTLY AIMED AT SUCH COMPENSATION - BUT DESIGNED TO KEEP WHITES IN COUNTRY. EVEN SO, KOLLATZ INSISTED THAT THE FUND PROPOSAL VEILED COMPENSATION, BUT DID NOT ENTIRELY REMOVE THE PROBLEM.

6. ECON/COMC'L MIN STRESSED THAT THE TECHNICAL ASPECTS OF THE FUND PROPOSAL SHOULD NOT STAND IN THE WAY OF ACHIEVING THE POLITICAL OBJECTIVE OF A STABLE TRANSITION FOR ZIMBABWE. SINCE WE ARE IN AGREEMENT REGARDING THE GOAL OF THIS EFFORT, TECHNICAL PROBLEMS SHOULD NOT STAND IN THE WAY OF THIS PROGRAM IF, AS WAS THE CASE, IT COULD PLAY A KEY POSITIVE ROLE. WE "PRESUMED" FRG WOULD NOT STAND ASIDE IF THIS PROPOSAL BECAME A SIGNIFICANT ELEMENT IN A POLITICAL SETTLEMENT.

7. COMMENT: EVEN THOUGH THE AID BUDGET WILL BE TIGHT THIS YEAR AND FOR THE NEXT FEW YEARS, EMBASSY AGREES WITH KOLLATZ THAT THE FRG COULD FIND THE MONEY FOR ITS SHARE OF THE FUND PROPOSAL. THE STRUCTURE OF THE FUND AND THE PROGRAMS FOR WHICH IT IS DESIGNED ARE THE KEY PROBLEMS AS FAR AS THE FRG IS CONCERNED. OBVIOUSLY, WE HAVE NOT YET HEARD THE LAST WORD OF CONFIDENTIAL

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THE FRG ON THIS SUBJECT AND THESE NEGATIVE SOUNDS FROM KOLLATZ ARE BY NO MEANS CONCLUSIVE. IT ALSO NEEDS TO BE KEPT IN MIND THAT THE ECONCOOPMIN IS CONTROLLED BY THE SPD.
STOESSEL

UNQUOTE KISSINGER

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